

Chapter 8 – Child Support Enforcement

Legislative History

1950

The first Federal child support enforcement legislation was Public Law 81–734, the Social Security Act Amendments of 1950, which added section 402(a)(11) to the Social Security Act (42 USC 602(a)(11)). The legislation required State welfare agencies to notify appropriate law enforcement officials upon providing Aid to Families with Dependent Children (AFDC) to a child who was abandoned or deserted by a parent. Also that year, the National Conference of Commissioners on Uniform State Laws and the American Bar Association approved the Uniform Reciprocal Enforcement of Support Act (URESA; subsequent amendments to this act were approved in 1952, 1958, and 1968).

1965

Public Law 89–97, the Social Security Amendments of 1965, allowed a State or local welfare agency to obtain from the Secretary of Health, Education, and Welfare the address and place of employment of an absent parent who owed child support under a court order for support.

1967

Public Law 90–248, the Social Security Amendments of 1967, allowed States to obtain from the Internal Revenue Service (IRS) the address of nonresident parents who owed child support under a court order for support. In addition, each State was required to establish a single organizational unit to establish paternity and collect child support for deserted children receiving AFDC. States were also required to work cooperatively with each other under child support reciprocity agreements and with courts and law enforcement officials.

1975

Public Law 93–647, the Social Security Amendments of 1974, created part D of title IV of the Social Security Act (sections 451, et seq.; 42 USC 651, et seq.). The key child support enforcement provisions, which reflect 3 years of intense congressional attention, are as follows: The Secretary of the Department of Health, Education, and Welfare (now the Department of Health and Human Services or HHS) has primary responsibility for the program and is required to establish a separate organizational unit to operate the program. Operational responsibilities include: (1) establishing a parent locator service; (2) establishing standards for State program organization, staffing, and operation; (3) reviewing and approving State plans for the program; (4) evaluating State program operations by conducting audits of each State’s program; (5) certifying cases for referral

to the Federal courts to enforce support obligations; (6) certifying cases for referral to the IRS for support collections; (7) providing technical assistance to States and assisting them with reporting procedures; (8) maintaining records of program operations, expenditures, and collections; and (9) submitting an annual report to the Congress.

Primary responsibility for operating the Child Support Enforcement program was placed on the States pursuant to the State plan. The major requirements of a State plan are that: (1) the State designate a single and separate organizational unit to administer the program; (2) the State undertake to establish paternity and secure support for individuals receiving AFDC and others who apply directly for child support enforcement services; (3) child support payments be made to the State for distribution; (4) the State enter into cooperative agreements with appropriate courts and law enforcement officials; (5) the State establish a State parent locator service that uses State and local parent location resources and the Federal Parent Locator Service; (6) the State cooperate with any other State in locating an absent parent, establishing paternity, and securing support; and (7) the State maintain a full record of collections and disbursements made under the plan.

In addition, the 1975 legislation established procedures for the distribution of child support collections received on behalf of families on AFDC, created an incentive system to encourage States to collect payments from parents of children on AFDC, and subjected moneys due and payable to Federal employees to garnishment for the collection of child support.

New eligibility requirements were added to the AFDC program requiring applicants for, or recipients of, AFDC to make an assignment of support rights to the State, to cooperate with the State in establishing paternity and securing support, and to furnish their Social Security number to the State. The effective date of Public Law 93-647 was July 1, 1975, except for the provision regarding garnishment of Federal employees, which was effective upon enactment. However, several problems were identified prior to the effective date and Congress passed Public Law 94-46 to extend the effective date to August 1, 1975. In addition, Public Law 94-88 was passed in August 1975 to allow States to obtain waivers from certain program requirements under certain conditions until June 30, 1976 and to receive Federal reimbursement at a reduced rate. This law also eased the requirement for AFDC recipients to cooperate with State child support agencies when such cooperation would not be in the best interests of the child and provided for supplemental payments to AFDC recipients whose grants would be reduced due to the implementation of the Child Support Enforcement program.

1976

Public Law 94-566, effective October 20, 1976, required State employment agencies to provide absent parents' addresses to State child support enforcement agencies.

1977

Public Law 95–30, effective May 23, 1977, made several amendments to title IV–D. Provisions relating to the garnishment of a Federal employee’s wages for child support were amended to: (1) include employees of the District of Columbia; (2) specify the conditions and procedures to be followed to serve garnishments on Federal agencies; (3) authorize the issuance of garnishment regulations by the three branches of the Federal Government and by the District; and (4) clarify several terms used in the statute. Public Law 95–30 also amended section 454 of the Social Security Act (42 USC 654) to require the State plan to provide bonding for employees who receive, handle, or disburse cash and to insure that the accounting and collection functions are performed by different individuals. In addition, the incentive payment provision, under section 458(a) of the Social Security Act (42 USC 658(a)), was amended to change the rate to 15 percent of AFDC collections (from 25 percent for the first 12 months and 10 percent thereafter).

Public Law 95–142, the Medicare-Medicaid Antifraud and Abuse Amendments of 1977, established a medical support enforcement program under which States could require Medicaid applicants to assign to the State their rights to medical support. State Medicaid agencies were allowed to enter into cooperative agreements with any appropriate agency of any State, including the IV–D agency, for assistance with the enforcement and collection of medical support obligations. Incentives were also made available to localities making child support collections for States and for States securing collections on behalf of other States.

1978

Public Law 95–598, the Bankruptcy Reform Act of 1978, repealed section 456(b) of the Social Security Act (42 USC 656(b)), which had barred the discharge in bankruptcy of assigned child support debts. (This section of the act (now 546(h)) was restored by Public Law 97–35 in 1981.)

1980

Public Law 96–178 extended Federal financial participation (FFP) for non-AFDC services to March 31, 1980, retroactive to October 1, 1978.

Public Law 96–265, the Social Security Disability Amendments of 1980, increased Federal matching funds to 90 percent, effective July 1, 1981, for the costs of developing, implementing, and enhancing approved automated child support management information systems. Federal matching funds were also made available for child support enforcement duties performed by certain court personnel. In another provision, the law authorized IRS to collect child support arrearages on behalf of non-AFDC families. Finally, the law provided State and local IV–D agencies access to wage information held by the Social Security Administration and State employment security agencies for use in establishing and enforcing child support obligations.

Public Law 96–272, the Adoption Assistance and Child Welfare Act of 1980, contained four amendments to title IV–D of the Social Security Act. First, the law made FFP for

non-AFDC services available on a permanent basis. Second, it allowed States to receive incentive payments on all AFDC collections as well as interstate collections. Third, as of October 1, 1979, States were required to claim reimbursement for expenditures within 2 years, with some exceptions. The fourth change postponed until October, 1980 the imposition of the 5 percent penalty on AFDC reimbursement for States not having effective Child Support Enforcement programs.

1981

Public Law 97–35, the Omnibus Budget Reconciliation Act of 1981, amended IV–D in five ways. First, IRS was authorized to withhold all or part of certain individuals’ Federal income tax refunds for collection of delinquent child support obligations. Second, IV–D agencies were required to collect spousal support for AFDC families. Third, for non-AFDC cases, IV–D agencies were required to collect fees from absent parents who were delinquent in their child support payments. Fourth, child support obligations assigned to the State no longer were dischargeable in bankruptcy proceedings. Fifth, States were required to withhold a portion of unemployment benefits from absent parents delinquent in their support payments.

1982

Public Law 97–248, the Tax Equity and Fiscal Responsibility Act of 1982, included the following provisions affecting the IV–D program: FFP was reduced from 75 to 70 percent, effective October 1, 1982; incentives were reduced from 15 to 12 percent, effective October 1, 1983; the provision for reimbursement of costs of certain court personnel that exceed the amount of funds spent by a State on similar court expenses during calendar year 1978 was repealed; the mandatory non-AFDC collection fee imposed by Public Law 97–35 was repealed, retroactive to August 13, 1981, and States were given the option of recovering costs by imposing fees on non-AFDC parents; States were allowed to collect spousal support in certain non-AFDC cases; as of October 1, 1982, members of the uniformed services on active duty were required to make allotments from their pay when support arrearages reached the equivalent of a 2-month delinquency; beginning October 1, 1982, States were allowed to reimburse themselves for AFDC grants paid to families for the first month in which the collection of child support is sufficient to make a family ineligible for AFDC.

Public Law 97–253, the Omnibus Budget Reconciliation Act of 1982, provided for the disclosure of information obtained under authority of the Food Stamp Act of 1977 to various programs, including State child support enforcement agencies.

Public Law 97–252, the Uniformed Services Former Spouses’ Protection Act, authorized treatment of military retirement or retainer pay as property to be divided by State courts in connection with divorce, dissolution, annulment, or legal separation proceedings.

1984

Public Law 98–378, the Child Support Enforcement Amendments of 1984, featured provisions that required improvements in State and local Child Support Enforcement programs in four major areas:

Mandatory enforcement practices

All States must enact statutes to improve enforcement mechanisms, including: (1) mandatory income withholding procedures; (2) expedited processes for establishing and enforcing support orders; (3) State income tax refund interceptions; (4) liens against real and personal property, security or bonds to assure compliance with support obligations; and (5) reports of support delinquency information to consumer reporting agencies. State law must allow for the bringing of paternity actions any time prior to a child's 18th birthday and all support orders issued or modified after October 1, 1985, must include a provision for wage withholding.

Federal financial participation and audit provisions

To encourage greater reliance on performance-based incentives, Federal matching funds were reduced by 2 percent in 1988 (to 68 percent) and another 2 percent in 1990 (to 66 percent). Federal matching funds at 90 percent were made available for the development and installation of automated systems, including computer hardware purchases, to facilitate income withholding and other newly required procedures. State incentive payments were reset at 6 percent for both AFDC and non-AFDC collections. These percentages could rise as high as 10 percent for each category for cost-effective States, but a State's non-AFDC incentive payments could not exceed its AFDC incentives. States were required to pass incentives through to local child support enforcement agencies if these agencies had accumulated child support enforcement costs. Annual State audits were replaced with audits conducted at least once every 3 years. The focus of the audits was altered to evaluate a State's effectiveness on the basis of program performance as well as operational compliance. Penalties for noncompliance are from 1 to 5 percent of the Federal share of the State's AFDC funds. The Federal Government may suspend imposition of a penalty based on a State's filing of, and complying with, an acceptable corrective action plan.

Improved interstate enforcement

States were required to apply a host of enforcement techniques to interstate cases as well as intrastate cases. Both States involved in an interstate case may take credit for the collection when reporting total collections for the purpose of calculating incentives. Special demonstration grants were authorized beginning in 1985 to fund innovative methods of interstate enforcement and collection. Federal audits were focused on States' effectiveness in establishing and enforcing obligations across State lines.

Equal services for welfare and non-AFDC families

Several specific requirements were directed at improving State services to non-AFDC families. All of the mandatory practices must be made available for both classes of cases; the interception of Federal income tax refunds was extended to non-AFDC cases; incentive payments for non-AFDC cases became available for the first time; States were required to continue child support services to families terminated from the welfare rolls without charging an application fee; and States were required to publicize the availability of support enforcement services for non-AFDC parents.

Other provisions

States were required to: (1) collect support in certain foster care cases; (2) collect spousal support in addition to child support where both are due in a case; (3) notify AFDC recipients, at least yearly, of the collections made in their behalf; (4) establish State commissions to study the operation of the State's child support system and report findings to the State's Governor; (5) formulate guidelines for determining appropriate child support obligation amounts and distribute the guidelines to judges and other individuals who possess authority to establish obligation amounts; (6) offset the costs of the program by charging various fees to non-AFDC families and to delinquent nonresident parents; (7) allow families whose AFDC eligibility is terminated as a result of the payment of child support to remain eligible to receive Medicaid for 4 months (sunset on October 1, 1988); and (8) establish medical support orders in addition to monetary awards. The Federal Parent Locator Service was made more accessible and effective in locating absent parents. Sunset provisions were included in the extension of Medicaid eligibility and Federal tax offsets for non-AFDC families.

Public Law 98-369, the Tax Reform Act of 1984, included two tax provisions pertaining to alimony and child support. Under prior law, alimony was deductible by the payor and includable in the income of the payee. The 1984 law revised the rules relating to the definition of alimony. Generally, only cash payments that terminate on the death of the payee spouse qualify as alimony. Alimony payments, if in excess of \$10,000 per year, generally must be payable for at least 6 years and must not decline by more than \$10,000. The prior law requirement that the payment be based on a legal support obligation was repealed and payors were required to furnish to the IRS the Social Security number of the payee spouse. A \$50 penalty for failure to do so was imposed. The provision was effective for divorce or separation agreements or orders executed after 1984. The 1984 law also provided that the \$1,000 dependency exemption for a child of divorced or separated parents be allocated to the custodial parent unless the custodial parent signs a written declaration that she will not claim the exemption for the year. For purposes of computing the medical expense deduction for years after 1984, each parent may claim the medical expenses that he or she pays for the child.

1986

Public Law 99-509, the Omnibus Budget Reconciliation Act of 1986, included one child support enforcement amendment prohibiting the retroactive modification of child support awards. Under this new requirement, State laws must provide for either parent to

apply for modification of an existing order with notice provided to the other parent. No modification is permitted before the date of this notification.

1987

Public Law 100–203, the Omnibus Budget Reconciliation Act of 1987, required States to provide child support enforcement services to all families with an absent parent who receives Medicaid and have assigned their support rights to the State, regardless of whether they are receiving AFDC.

1988

Public Law 100–485, the Family Support Act of 1988, emphasized the duties of parents to work and support their children and, in particular, emphasized child support enforcement as the first line of defense against welfare dependence. The key child support provisions include:

Guidelines for child support awards

Judges and other officials are required to use State guidelines for child support unless they rebut the guidelines by a written finding that applying them would be unjust or inappropriate in a particular case. States must review guidelines for awards every four years. Beginning 5 years after enactment, States generally must review and adjust individual case awards every 3 years for AFDC cases. The same applies to other IV–D cases, except review and adjustment must be at the request of a parent.

Establishment of paternity

States are required to meet Federal standards for the establishment of paternity. The primary standard relates to the percentage obtained by dividing the number of children in the State who are born out of wedlock, are receiving cash benefits or IV–D child support services, and for whom paternity has been established by the number of children who are born out of wedlock and are receiving cash benefits or IV–D child support services. To meet Federal requirements, this percentage in a State must: (1) be at least 50 percent; (2) be at least equal to the average for all States; or (3) have increased by 3 percentage points from fiscal years 1988 to 1991 and by 3 percentage points each year thereafter. States are mandated to require all parties in a contested paternity case to take a genetic test upon request of any party. The Federal matching rate for laboratory testing to establish paternity is set at 90 percent.

Disregard of child support

The child support enforcement disregard authorized under the Deficit Reduction Act of 1984 is clarified so that it applies to a payment made by the noncustodial parent in the month it was due even though it was received in a subsequent month.

Requirement for prompt State response

The Secretary of HHS was required to set time limits within which States must accept and respond to requests for assistance in establishing and enforcing support orders as well as time limits within which child support payments collected by the State IV–D agency must be distributed to the families to whom they are owed.

Requirement for automated tracking and monitoring system

Every State that does not have a statewide automated tracking and monitoring system in effect must submit an advance planning document that meets Federal requirements by October 1, 1991. The Secretary must approve each document within 9 months after submission. By October 1, 1995, every State must have an approved system in effect. States were awarded 90 percent Federal matching rates for this activity until September 30, 1995.

Interstate enforcement

A Commission on Interstate Child Support was created to hold national conferences on interstate child support enforcement reform and to report to Congress no later than October 1, 1990 on recommendations for improvements in the system and revisions in the Uniform Reciprocal Enforcement of Support Act.

Computing incentive payments

Amounts spent by States for interstate demonstration projects are excluded from calculating the amount of the States' incentive payments.

Use of INTERNET system

The Secretaries of Labor and HHS are required to enter into an agreement to give the Federal Parent Locator Service prompt access to wage and unemployment compensation claims information useful in locating absent parents.

Wage withholding

With respect to IV–D cases, each State must provide for immediate wage withholding in the case of orders that are issued or modified on or after the first day of the 25th month beginning after the date of enactment unless: (1) one of the parties demonstrates, and the court finds, that there is good cause not to require such withholding; or (2) there is a written agreement between both parties providing for an alternative arrangement. Prior law requirements for mandatory wage withholding in cases where payments are in arrears apply to orders that are not subject to immediate wage withholding. States are required to provide for immediate wage withholding for all support orders initially issued on or after January 1, 1994, regardless of whether a parent has applied for IV–D services.

Work and training demonstration programs for noncustodial parents

The Secretary of HHS is required to grant waivers to up to five States to allow them to provide services to noncustodial parents under the JOBS program. No new power is granted to the States to require participation by noncustodial parents.

Data collection and reporting

The Secretary of HHS is required to collect and maintain State-by-State statistics on paternity establishment, location of absent parent for the purpose of establishing a support obligation, enforcement of a child support obligation, and location of absent parents for the purpose of enforcing or modifying an established obligation.

Use of Social Security number

Each State must, in the administration of any law involving the issuance of a birth certificate, require each parent to furnish his or her Social Security number (SSN), unless the State finds good cause for not requiring the parent to furnish it. The SSN shall appear in the birth record but not on the birth certificate, and the use of the SSN obtained through the birth record is restricted to child support enforcement purposes, except under certain circumstances.

Notification of support collected

Each State is required to inform families receiving AFDC of the amount of support collected on their behalf on a monthly basis, rather than annually as provided under prior law. States may provide quarterly notification if the Secretary of HHS determines that monthly reporting imposes an unreasonable administrative burden. This provision is effective 4 years after the date of enactment. The Medicaid transition benefit in child support cases is extended from October 1, 1988 to October 1, 1989.

1989

Public Law 101–239, the Omnibus Budget Reconciliation Act of 1989, made permanent the requirement that Medicaid benefits continue for 4 months after a family loses AFDC eligibility as a result of collection of child support payments.

1990

Public Law 101–508, the Omnibus Budget Reconciliation Act of 1990, permanently extended the Federal provision that allows States to ask the IRS to collect child support arrearages of at least \$500 out of income tax refunds otherwise due to noncustodial parents. The minor child restriction is eliminated for adults with a current support order who are disabled, as defined under OASDI or SSI. The IRS offset can be used for spousal support when spousal and child support are included in the same support order. The life

of the Interstate Child Support Commission was extended from July 1, 1991 to July 1, 1992, and the Commission was required to submit its report no later than May 1, 1992. The Commission was allowed to hire its own staff.

1992

Public Law 102–521, the Child Support Recovery Act of 1992, imposed a Federal criminal penalty for the willful failure to pay a past due child support obligation with respect to a child who resides in another State that has remained unpaid for longer than a year or is greater than \$5,000. For the first conviction the penalty is a fine of up to \$5,000, imprisonment for not more than 6 months, or both; for a second conviction, the penalty is a fine of not more than \$250,000, imprisonment for up to 2 years, or both.

Public Law 102–537, the Ted Weiss Child Support Enforcement Act of 1992, amended the Fair Credit Reporting Act to require report information on child support delinquencies provided by or verified by State or local child support agencies, which antedates the report by 7 years.

1993

Public Law 103–66, the Omnibus Budget Reconciliation Act of 1993, increased the percentage of children, from 50 to 75, for whom the State must establish paternity and required States to adopt laws requiring civil procedures to voluntarily acknowledge paternity (including hospital-based programs). The act also required States to adopt laws to ensure the compliance of health insurers and employers in carrying out court or administrative orders for medical child support and included a provision that forbids health insurers to deny coverage to children who are not living with the covered individual or who were born outside marriage.

1994

Public Law 103–383, the Full Faith and Credit for Child Support Orders Act, requires each State to enforce, according to its terms, a child support order by a court (or administrative authority) of another State, with conditions and specifications for resolving issues of jurisdiction.

Public Law 103–394, the Bankruptcy Reform Act of 1994, stipulates that a filing of bankruptcy does not stay a paternity, child support, or alimony proceeding. In addition, child support and alimony payments are made priority claims and custodial parents are able to appear in bankruptcy court to protect their interests without paying a fee or meeting any local rules for attorney appearances.

Public Law 103–403, the Small Business Administration Amendments of 1994, makes parents who fail to pay child support ineligible for small business loans.

Public Law 103–432, the Social Security Act Amendments of 1994, includes a provision that requires States to implement procedures that require the State to periodically report to consumer reporting agencies the name of debtor parents owing at least 2 months of overdue child support, and the amount of child support overdue.

1995

Public Law 104–35 extends for 2 years the deadline by which States are required to have in effect an automated data processing and information retrieval system for use in the administration of their Child Support Enforcement program (from October 1, 1995, to October 1, 1997). The 90 percent Federal funding was not extended.

1996

Title III of the 1996 welfare reform bill (Public Law 104–193) was devoted to major reforms of the Child Support Enforcement program. A section-by-section summary of these reforms follows:

Sec. 301--Imposes a State obligation to provide child support enforcement services for each child receiving assistance under IV-A (TANF), IV-E (foster care and adoption), and title XIX (Medicaid). Services must also be provided for others who apply, including families ceasing to receive assistance (no application is permitted for this group).

Sec. 302--Changes distribution priorities to provide that families leaving welfare receive priority in payment of arrears. Changes are effective October 1, 1997 for post-assistance arrears and October 1, 2000 for pre-assistance arrears. Exception is made for collections from the Federal Tax Refund Offset program. Provides a hold harmless provision so that States are protected if the amount they lose because of changes in distribution exceeds what they gain from the elimination of the \$50 pass-through (eliminated October 1, 1996).

Sec. 303--Protects privacy rights with respect to confidential information.

Sec. 304--Requires States to have procedures for providing notices of proceedings and copies of orders to recipients of program services or parties to cases being served under title IV-D.

Sec. 311--Specifies requirements for the central State registry, including maintaining and updating a payment record and extracting data for matching with other databases. Allows automated linkages of local registries.

Sec. 312--Specifies requirements for the centralized collection and disbursement of support payments, including the monitoring of payments, generating wage withholding notices, and automatic use of administrative enforcement remedies. Under some circumstances, permits linkages of local disbursement units to form centralized State disbursement unit for collection and disbursement of child support payments. Requires distribution within 2 business days of receipt of collection; requires transmission of withholding orders to employers within 2 business days of notice of income source subject to withholding.

Sec. 313--Requires employers and labor organizations to report name, address, SSN, and employer identification number of new hires to State directory of new hires within 20

days of hire (in the case of an employer transmitting reports magnetically or electronically, reports may be made by two monthly transmissions); requires the report to be the W-4 or equivalent at option of the employer with penalties assessed for failure to report. State directory must perform database matching using SSNs and report findings to any State; directory must also report information to the National directory within 3 business days, and issue withholding notices within 2 business days of match, among other requirements.

Sec. 314--Strengthens and expands income withholding from wages to pay child support by reducing the time for employers to remit withheld wages to 7 business days and adding a State law requirement that allows issuance of electronic withholding orders by State agency and without notice to obligor.

Sec. 315--Includes requirements for access by State child support agency to locator information from State motor vehicle and law enforcement systems.

Sec. 316--Expands the authority of the Federal Parent Locator Service (FPLS) to obtain information and locate individuals. Permits access to the FPLS for the enforcement of child custody and visitation orders but specifies that requests must come through courts or child support agencies. Requires establishment of a Federal case registry of child support orders, and details guidelines for the National directory of new hires. Allows disclosure of certain information, including Federal tax offset amounts, to child support enforcement agents.

Sec. 317--Requires use of SSNs on applications for professional licenses, commercial driver's licenses, occupational license or marriage licenses, and in records for divorce decrees, support orders, paternity determinations or acknowledgments and death certificates.

Sec. 321--Mandates adoption by all States of the Uniform Interstate Family Support Act.

Sec. 322--Clarifies priorities for recognition of orders.

Sec. 323--Requires States to respond within 5 business days to a request from another State to enforce a support order; electronic means are allowed for transmitting requests.

Sec. 324--Calls for the promulgation of forms, developed by the Secretary of HHS, to be used in interstate income withholding cases, the imposition of liens, and administrative subpoenas across State lines.

Sec. 325--Grants authority to State IV-D programs to order genetic testing for paternity establishment, issue a subpoena for financial or other information, and require all entities to respond to requests for information "without the necessity of obtaining an order from any other judicial or administrative tribunal, but subject to due process safeguards as appropriate." Grants States access to public records such as vital statistics of marriage, birth and divorce, State and local tax records, real and titled personal property, license records, employment security records, public records. Also grants access to certain private records such as public utility and cable television records and financial institution data, among other administrative measures.

Sec. 331--Streamlines the legal processes for establishment of paternity, allows establishment of paternity anytime before a child turns 18, and provides for mandatory genetic testing in contested cases, among other provisions.

Sec. 332--Mandates that State programs publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support.

Sec. 333--Requires States to determine whether recipients of aid under the TANF program or Medicaid are cooperating with the State in conducting child support activities against the noncustodial parent.

Sec. 341--Requires the Secretary of HHS to develop a new cost-neutral incentive system by March 1, 1997 which provides additional payments to any State based on such State's performance. Increases the mandatory IV-D paternity establishment percentage in graduated phases from 75 to 90 percent.

Sec. 342--Changes the audit process to be based on performance measures and requires the Secretary to ensure that State data meets high standards of accuracy and completeness.

Sec. 343--Requires States to collect and report program data in a uniform manner as a State plan requirement.

Sec. 344--Creates additional requirements for the State automated data processing systems, and sets a deadline of October 1, 2000 for implementation. Contains a new implementation timetable that extends to October 1, 1997 the deadline by which a State must have an automated case tracking and monitoring system meeting all Federal IV-D requirements up through the enactment of the Family Support Act of 1988. Caps aggregate spending on the new automated system at \$400,000,000 and requires the Secretary to devise a formula for distributing these funds among the States. The Federal Government will pay 80 percent of State costs of meeting the new requirements.

Sec. 345--Sets aside 1 percent of the Federal share of reimbursed public assistance for information, training, and related technical assistance concerning State automated systems and research, demonstration, and special projects of regional or national significance. An additional 2 percent is set aside for the operation of the FPLS.

Sec. 346--Clarifies data collection requirements and eliminates requirements for unnecessary or duplicate information. Several new data reports are to be included in the annual report to Congress, including information about State compliance.

Sec. 351--Requires processes for periodic modification of all child support orders, with review occurring every 3 years, upon request.

Sec. 352--Expands access and use of consumer reports by child support agencies for establishing and modifying child support.

Sec. 353--Specifies that depository institutions are not liable for disclosing financial information to the CSE Agency; the CSE Agency is prohibited from disclosing information obtained except for child support purposes.

Sec. 361--Makes technical corrections to the Social Security Act section on IRS collection of arrearages.

Sec. 362--Eliminates separate withholding rules for all Federal employees. Establishes procedures by which Federal agencies must aggressively pursue child support collections from Federal employees.

Sec. 363--Establishes procedures by which all branches of the armed forces must aggressively pursue child support collections from Federal employees.

Sec. 364--Requires States to have laws that prevent obligor from transferring income or property to avoid paying child support.

Sec. 365--Requires State child support officials to have the authority to seek a judicial or administrative order that requires any individual owing past-due support to pay such support in accordance with a plan approved by the court or participate in work activities.

Sec. 366--Provides a definition of a support order.

Sec. 367--Requires all child support delinquencies and their amounts to be reported to credit bureaus.

Sec. 368--Requires liens on real and personal property and the extension of full faith and credit to liens arising in another State in cases of past-due child support.

Sec. 369--Requires States to have laws providing for the suspension of driver's, professional, occupational, and recreational licenses.

Sec. 370--Establishes a process by which HHS can submit the names of delinquent noncustodial parents who are at least \$5,000 in arrears on their child support payments to the State Department for the denial of their passports.

Sec. 371--Authorizes Federal officials to declare any foreign country to be a foreign reciprocating country for purposes of establishment and collection of child support obligations.

Sec. 372--Requires States to enter agreements with financial institutions doing business in the State to develop a data match system by which records on individuals having accounts with the financial institution are matched against the list of child support obligors who have overdue payments.

Sec. 373--Adds a State option that a child support order of a child of minor parents, if the mother is receiving cash assistance, may be enforceable against parents of the noncustodial parent of the child.

Sec. 374--Clarifies that child support assigned to a State in assistance cases is not dischargeable in bankruptcy.

Sec. 375--Allows States to enter cooperative agreements with Indian tribes; allows the Secretary to make direct Federal funding to Indian tribes meeting certain criteria.

Sec. 381--Requires the application of the Employee Retirement Income Security Act (ERISA) to support orders that are judgments, decrees or orders issued by any court of competent jurisdiction or through a State administrative process.

Sec. 382--Adds a new State law requirement providing that the State IV-D agency have procedures for notifying a new employer of an absent parent, when the absent parent was providing health care coverage of the child in the previous job, of the medical support obligation.

Sec. 391--Provides \$10 million per year to the Secretary to award grants to States for the purpose of establishing programs to facilitate noncustodial parents' access to and visitation of their children.

1997

Public Law 105-33, the Balanced Budget Act of 1997, made 28 technical changes to the 1996 welfare reform law (Public Law 104-193).

1998

Public Law 105-187, the Deadbeat Parents Punishment Act of 1998, established two new categories of felony offenses, subject to a 2-year maximum prison term: (1) traveling in interstate or foreign commerce with the intent to evade a support obligation if the obligation has remained unpaid for more than 1 year or is greater than \$5,000; and (2)

willfully failing to pay a child support obligation regarding a child residing in another State if the obligation has remained unpaid for more than 2 years or is greater than \$10,000.

Public Law 105-200, the Child Support Performance and Incentive Act of 1998, established a new cost/budget-neutral incentive system based on five performance measures that create strong incentives for States to operate efficient and effective programs. The law also imposed less severe financial penalties on States that failed to meet the October 1997 deadline for implementing a statewide CSE automated data processing and information retrieval system. It also included provisions related to medical support and privacy protections, and makes other minor changes.

Public Law 105-306, the Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998, included a correction to Public Law 105-200 that allows a State that failed to comply with the 1996 child support data processing requirements to have its annual penalty reduced by 20 percent for each of the five performance measures under the child support incentive system for which it achieves a maximum score. In addition, the provision clarified the date by which States must pass laws implementing medical child support provisions to allow time for State legislatures that meet biennially to pass laws after final Federal regulations are issued in year 2000.

1999

Public Law 106-113, the Fiscal Year 2000 Consolidated Appropriations Bill, provided an alternative penalty for States that are not in compliance with the centralized State disbursement unit requirement, but which have submitted a corrective compliance plan by April 1, 2000, that describes how, by when, and at what cost the State would achieve compliance with the State disbursement unit requirement. The Secretary of HHS is required to reduce the amount the State would otherwise have received in Federal child support payments by the penalty amount for the fiscal year. The penalty amount percentage is 4 percent in the case of the first fiscal year of noncompliance; 8 percent in the second year; 16 percent in the third year; 25 percent in the fourth year; or 30 percent in the fifth or any subsequent year. In addition, the law provides for coordination of the alternative disbursement unit penalty with the automated systems penalty so that States that fail to implement both the automated data processing requirement and the State disbursement unit requirement are subject to only one alternative penalty.

Public Law 106-169, the Foster Care Independence Act of 1999, limited the hold harmless requirement of current law by stipulating that States would only be entitled to hold harmless funds if the State's share of child support collections are less than they were in fiscal year 1995 and the State has distributed and disregarded to welfare families at least 80 percent of child support collected on their behalf in the preceding fiscal year or the State has distributed to former welfare recipients the State share of child support payments collected via the Federal Income Tax Offset program. If these conditions are met, the State's share of child support collections would be increased by 50 percent of the difference between what the State would have received in fiscal year 1995 and its share

of child support collections in the pertinent fiscal year. Public Law 106-169 repealed the hold harmless provision effective October 1, 2001.

2006

Public Law 109-171, the Deficit Reduction Act of 2005, made several changes to the CSE program. P.L. 109-171 reduced the Federal matching rate for laboratory costs associated with paternity establishment from 90 percent to 66 percent, ended the Federal matching of State expenditures of Federal CSE incentive payments reinvested back into the program, and required States to assess a \$25 annual user fee for child support services provided to families with no connection to the welfare system. It also simplified CSE distribution rules and extended the "families first" policy by providing incentives to States to encourage them to allow more child support to go to both former welfare families and families still on welfare. In addition, P.L. 109-171 included provisions that (1) lower the threshold amount for denial of a passport to a noncustodial parent who owes past-due child support; (2) allow States to use the Federal income tax refund offset program to collect past-due child support for persons not on TANF who are no longer minors; (3) authorize the Secretary of HHS to compare information of noncustodial parents who owe past-due child support with information maintained by insurers concerning insurance payments and to furnish any information resulting from a match to CSE agencies so that they can pursue child support arrearages; (4) allow an assisting State to establish a CSE interstate case based on another State's request for assistance (thereby enabling an assisting State to use the CSE statewide automated data processing and information retrieval system for interstate cases); (5) require States to review and, if appropriate, adjust child support orders of TANF families every three years; and (6) require that medical child support for a child be provided by either or both parents.

2009

Public Law 111-5, the American Recovery and Reinvestment Act of 2009 temporarily reinstated federal matching of incentive payments for FY2009 and FY2010.